



**CITY OF NEW ORLEANS
BOARD OF LIQUIDATION
CITY DEBT
ANNUAL STATEMENT
DECEMBER 31, 2011**

www.boardofliquidation.com

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 21 2012**

BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2011

TABLE OF CONTENTS

	<u>Page</u>
<u>COMPOSITION AND AUTHORITY OF THE BOARD OF LIQUIDATION, CITY DEBT</u>	3
<u>LETTER OF TRANSMITTAL</u>	4
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>	5-9
<u>INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS</u>	10-11
<u>FINANCIAL STATEMENTS</u>	
COMBINING STATEMENT OF ASSETS, LIABILITIES, CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS - MODIFIED CASH BASIS	12
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN LIABILITIES, CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS - MODIFIED CASH BASIS	13
<u>NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS</u>	14-20
<u>SUPPLEMENTAL INFORMATION</u>	
DEBT ADMINISTRATION COMBINING SCHEDULE OF ASSETS, LIABILITIES, DEBT SERVICE AND RESERVE FUNDS - MODIFIED CASH BASIS	21
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS, LIABILITIES AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	22
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS, LIABILITIES AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	23
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS, LIABILITIES AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	24
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS COMBINING SCHEDULE OF ASSETS AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	25
DEBT ADMINISTRATION COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN LIABILITIES, DEBT SERVICE AND RESERVE FUNDS - MODIFIED CASH BASIS	26
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN LIABILITIES AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	27
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN LIABILITIES AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	28
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN LIABILITIES AND CUSTODIAL FUNDS - MODIFIED CASH BASIS	29

BOARD OF LIQUIDATION, CITY DEBT
NEW ORLEANS, LOUISIANA
DECEMBER 31, 2011

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
<u>SUPPLEMENTAL INFORMATION (CONT'D)</u>	
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CUSTODIAL FUNDS - MODIFIED CASH BASIS	30
SCHEDULE OF BOND SALES	31
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT	32-33
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT	34
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE AVAILABLE FOR SERVICING OF BONDED DEBT	35
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE AVAILABLE FOR SERVICING OF BONDED DEBT	36
SCHEDULE OF SEWERAGE & WATER BOARD MATURED BONDS - DEBT ADMINISTRATION	37
SCHEDULE OF DEFEASED BONDS - DEBT ADMINISTRATION COMBINING SCHEDULE OF ASSETS AND LIABILITIES - MODIFIED CASH BASIS	38
SCHEDULE OF DEFEASED BONDS - DEBT ADMINISTRATION COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN LIABILITIES - MODIFIED CASH BASIS	39
SCHEDULE OF ITEMIZED DISBURSEMENTS - INTEREST, PREMIUM AND PRINCIPAL PAID	40-41
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	42-43

COMPOSITION AND AUTHORITY OF THE BOARD OF LIQUIDATION, CITY DEBT

The Board of Liquidation, City Debt, is a body corporate composed of six citizens of the City of New Orleans. Three ex-officio members, consisting of the Mayor and the two Councilmembers-at-Large, makeup the board of nine members. The Board has exclusive control and direction of all matters relating to the bonded debt of the City of New Orleans.

OFFICERS OF THE BOARD

Mary K. Zervigon, President
Richard P. Wolfe, Vice President
David W. Gernhauser, Secretary
Tracy David Madison, Assistant Secretary

COUNSEL

Lemle & Kelleher

MEMBERS OF THE BOARD

Mary K. Zervigon	Wanda Ackers-Brooks	Alan C. Arnold
Richard P. Wolfe	Wm. Raymond Manning	Mark M. Moody
	Jacquelyn B. Clarkson, Council at Large	Ex-Officio
	Eric Granderson, Council at Large	Ex-Officio
	Mitchell J. Landrieu, Mayor	Ex-Officio

MEMBERS OF BOARD

ALAN C. ARNOLD
WANDA ACERS BROOKS
WM. RAYMOND MANNING
MARK M. WOODY
RICHARD R. WOLFE
MARY K. ZERVIGON

Board of Liquidation, City Debt

1300 PERDIDO STREET - ROOM 8E17

New Orleans, La. 70112

AREA CODE 504
858-1410
(FAX) 858-1411

www.boardofliquidation.com

JACQUELYN B. CLARKSON, EX OFFICIO
ERIC GRANDERSON, EX OFFICIO
MITCHELL J. LANDREAU, EX OFFICIO

January 3, 2012

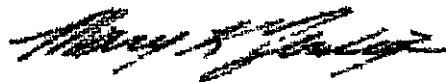
President and Members
Council of the City of New Orleans
City Hall
New Orleans, Louisiana 70112

Ladies and Gentlemen:

Under the provisions of the Constitution of Louisiana of 1921, made statutory by the Constitution of Louisiana of 1974, the Board of Liquidation, City Debt, is required to submit to the Council of the City of New Orleans a detailed report of all receipts and expenditures and all transactions of the Board of Liquidation, City Debt.

These transactions are reported for the twelve month period ending December 31, 2011, for the Bonded Debt administered by the Board of Liquidation, City Debt, for the accounts of the Sewerage and Water Board of New Orleans, the Audubon Park Commission of New Orleans, the Downtown Development District of New Orleans, the Garden District Security Tax District, Huntington Park Subdivision Improvement District, the Kingswood Subdivision Improvement District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Improvement District, the Lake Forest Estates Improvement District, the Lake Oaks Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Spring Lake Improvement District, the Touro-Boulligny Security District, the Twinbrook Security District, and the Upper Hurstville Security District.

Sincerely,



Mary K. Zervigon



David W. Gernhauser

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

Introduction

Within this section of the Board of Liquidation, City Debt's (the "Board") annual financial report, management provides narrative discussion and analysis of the financial activities of the Board for the fiscal year ended December 31, 2011. The Board's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter which precedes the *Management's Discussion and Analysis*. The discussion focuses on the Board's primary government, and unless otherwise noted, there are no component units to be reported separately from the primary government.

Fund Accounting

The Board maintains one Fiduciary Fund to account for its activities, the Agency Fund. An Agency Fund is used to account for assets held for other funds, governments, or individuals. Accordingly, the accounts of the Board are organized and maintained on the basis of funds, each of which is considered a separate accounting entity, and is maintained for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

Overview of Financial Statements

Management's Discussion and Analysis introduces the Board's basic financial statements. The basic financial statements are comprised of one fiduciary fund and includes:

- The Combining Statement of Assets, Liabilities, Custodial, Debt Service and Reserve Funds - Modified Cash Basis
- The Combining Statement of Cash Receipts, Disbursements and Changes in Liabilities, Custodial, Debt Service and Reserve Funds - Modified Cash Basis
- The Notes to Financial Statements - Modified Cash Basis

The Board also includes in this report additional information to supplement the basic financial statements.

Basic Financial Statements

The Combining Statement of Assets, Liabilities, Custodial, Debt Service and Reserve Funds - Modified Cash Basis presents all the assets and liabilities administered by the Board. Over time, increases and decreases in the balances presented on this financial statement may be useful indicators of whether the financial position of the Board is improving or deteriorating. However, evaluation of the economic health of the Board would extend to other non-financial factors such as the diversification of the taxpayer base in addition to the financial information provided in this report.

The Combining Statement of Cash Receipts, Disbursements, and Changes in Liabilities, Custodial, Debt Service and Reserve Funds - Modified Cash Basis, reports the Board's inflows and outflows of cash. The purpose of the report is to show the sources and uses of funds administered by the Board.

Notes to Financial Statements

The accompanying Notes to Financial Statements - Modified Cash Basis, provide information essential to a full understanding of the Board's financial statements. The notes to the financial statements begin immediately following the basic financial statements.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2011

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Supplemental Information. This supplemental information follows the notes to the financial statements and includes:

- Combining Schedules of Assets, Liabilities, Custodial, Debt Service, and Reserve Funds for all activities administered by the Board
- Combining Schedules of Cash Receipts, Disbursements and Changes in Liabilities, Debt Service, Reserve and Custodial Funds for all activities administered by the Board
- Details of bond sales during the year
- Details of bonded debt administered by the Board
- Details of ad valorem tax millage available to service bonded debt
- Details of certain disbursements made during the year

Financial Analysis of the Board's Funds

As year-to-year financial information is accumulated on a consistent basis, changes in fund balances may be observed and used to discuss the changing financial position of the Board as a whole.

Fiduciary Funds

The Debt Service and Reserve Funds in the Debt Administration section of the financial report have a fund balance of \$66,517,779. The Tax Credit Bond loan payable balance of \$118,533,615 is a result of the Board and the custodial agencies entering into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the Gulf Opportunity Tax Credit Bond Loan Program. Escrow accounts were created at Hancock Bank to make debt service payments on outstanding bonds for governmental agencies affected by Hurricanes Katrina and Rita. The General Obligation Debt Service Funds are designated for future debt service payments and were included in calculating the millage necessary to service the General Obligation Debt for 2012. The 2011 millage levy is 25.5 mills, remaining the same as the 25.5 mills levied in 2010.

The following table provides a summary of the Board's assets, liabilities, custodial, debt service and reserve funds and the related changes in receipts over disbursements

	<u>Debt Administration</u>		
	<u>2011</u>	<u>2010</u>	<u>Changes</u>
Total assets	\$ <u>94,442,986</u>	\$ <u>93,809,769</u>	\$ <u>633,217</u>
Total liabilities	\$ <u>27,925,207</u>	\$ <u>27,878,912</u>	\$ <u>46,295</u>
Total custodial debt service and reserve funds	\$ <u>66,517,779</u>	\$ <u>65,930,857</u>	\$ <u>586,922</u>
Receipts	\$151,461,962	\$138,720,436	\$12,741,526
Disbursements	<u>150,828,745</u>	<u>138,550,213</u>	<u>12,278,532</u>
Excess of receipts over disbursements	\$ <u><u>633,217</u></u>	\$ <u><u>170,223</u></u>	\$ <u><u>462,994</u></u>

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2011

	<u>Custodial Accounts</u>		
	<u>2011</u>	<u>2010</u>	<u>Changes</u>
Total assets	\$ <u>43,024,834</u>	\$ <u>53,016,154</u>	\$ <u>(9,991,320)</u>
Total liabilities	\$ <u>90,916,406</u>	\$ <u>90,916,406</u>	\$ <u>0</u>
Total custodial debt service and reserve fund	\$ <u>(47,891,572)</u>	\$ <u>(37,900,252)</u>	\$ <u>(9,991,320)</u>
Receipts	\$ <u>62,203,406</u>	\$ <u>55,420,808</u>	\$ <u>6,782,598</u>
Disbursements	<u>72,194,726</u>	<u>87,610,638</u>	<u>(15,415,912)</u>
(Deficiency) of receipts over disbursements	\$ <u>(9,991,320)</u>	\$ <u>(32,189,830)</u>	\$ <u>22,198,510</u>

	<u>Totals</u>		
	<u>2011</u>	<u>2010</u>	<u>Changes</u>
Total assets	\$ <u>137,467,820</u>	\$ <u>146,825,923</u>	\$ <u>(9,358,103)</u>
Total liabilities	\$ <u>118,841,613</u>	\$ <u>118,795,318</u>	\$ <u>46,295</u>
Total custodial, debt service and reserve funds	\$ <u>18,626,207</u>	\$ <u>28,030,605</u>	\$ <u>(9,404,398)</u>
Receipts	\$ <u>213,665,368</u>	\$ <u>194,141,244</u>	\$ <u>19,524,124</u>
Disbursements	<u>223,023,471</u>	<u>226,160,851</u>	<u>(3,137,380)</u>
(Deficiency) of receipts over disbursements	\$ <u>(9,358,103)</u>	\$ <u>(32,019,607)</u>	\$ <u>22,661,504</u>

Key Changes in Assets and Liabilities include:

- Assets increased \$633,217 in debt administration due to additional general obligation bond ad valorem tax receipts.
- Assets decreased \$9,991,320 in the custodial accounts due to payment of debt.

Key changes in receipts include

Debt Administration

- Ad valorem tax receipts increased \$3,055,077.
- Bond proceeds increased \$11,725,506
- Debt service funds decreased \$1,796,610.
- Interest on investments decreased \$209,134. This was primarily due to a decrease in interest rates as a result of the national financial crisis
- Excess debt service and reserve decreased \$33,513.

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2011

Key changes in receipts include: (Cont'd)

Custodial Accounts

- Ad valorem taxes increased \$3,636,264
- Interest on investments decreased 118,022.
- Revenue Sharing - State of Louisiana decreased \$21,320.
- Bond proceeds increased \$3,243,758.
- Fee - Current year decreased \$29,418.
- Fee - Prior years increased \$77,901.
- Excess reserve and debt service funds decreased \$6,565.
- Warrants paid decreased \$13,402,516
- Debt service increased \$2,013,396

Key changes in disbursements include:

Debt Administration

- Interest payments increased \$3,480,030. This increase follows the payments required under the debt service schedules
- Principal payments on bonds decreased \$21,294,290.
- Premium received on bonds increased \$470,235 due to Audubon Aquarium Bonds Series 2001A and 2001B called October 1, 2011.
- Purchase of securities increased \$24,608,262. This is due to the purchase of escrow securities for the refunded Audubon Park Commission Aquarium Bonds.
- Funds returned to the City of New Orleans, Sewerage & Water Board, and Audubon Park Commission decreased by \$37,603,118
- Cost of Issuance increased \$36,438.
- Personal services decreased \$11,111. This is mainly due to one employee entering deferred retirement option plan and not participating in employee pension plan in 2011.

Long-term Debt Administration

At the end of the fiscal year, the Board administers total bonded debt outstanding of \$509,543,556 in General Obligation Bonds and \$23,360,000 in Limited Tax Bonds. The General Obligation Bonds are backed and fully funded with an unlimited ad valorem tax levy through the Board's statutory authority. The Limited Tax Bonds are supported by a voter approved tax millage of 2.5 mills collected by the City of New Orleans and remitted to the Board daily. Other Custodial long-term debt is supported by voter approved special tax millages and revenues generated through the custodial agencies. Debt service is collected from these custodial special taxes to pay debt service on special tax bonds. Debt service on the Revenue Bonds are supported by revenues remitted to the Board on a monthly basis by the Sewerage & Water Board of New Orleans, including the Sewer Service Subordinate Revenue Bonds sold in 2011. The Board holds restricted debt service funds for the Sewerage Service Revenue Bonds 2010 A&B sold to the Louisiana Department of Health and Hospitals

BOARD OF LIQUIDATION, CITY DEBT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)
DECEMBER 31, 2011

Long-term Debt Administration (Cont'd)

Outstanding bonds administered by the Board at December 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
City of New Orleans:		
General Obligation Bonds	\$ 509,543,556	\$ 529,218,992
Limited Tax Bonds	\$ 23,360,000	\$ 25,140,000
Sewerage & Water Board of New Orleans:		
Drainage System Bonds	\$ 18,990,000	\$ 20,290,000
Sewerage Service Revenue Bonds	\$ 160,985,000	\$ 172,800,000
Sewerage Service Revenue Bonds Louisiana Department of Health and Hospitals	\$ 2,400,000	\$ 2,400,000
Sewerage Service Subordinate Revenue Bonds Louisiana Department of Environmental Quality	\$ 9,000,000	\$ 0
Water Revenue Bonds	\$ 32,415,000	\$ 34,635,000
Audubon Park Commission:		
Audubon Park Improvement Bonds	\$ 1,635,000	\$ 1,910,000
Audubon Aquarium Bonds	\$ 30,260,000	\$ 27,233,572
Downtown Development District:		
Downtown Development District Bonds	\$ 5,450,000	\$ 5,685,000

Bond Ratings

Bond ratings for the General Obligation Bonds of the City of New Orleans were Standard and Poor's Rating BBB; Fitch Ratings A-, and Moody's Rating Service A3. Although investment grade rated by all three agencies, the City general obligation ratings continue to feel the effects of Hurricanes Katrina and Rita in 2005, as well as the national economic crisis in 2008.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances, compliance with finance-related laws and regulations, and demonstrate the Board's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Board at: Board of Liquidation, City Debt, 1300 Perdido Street, Room 8E17, New Orleans, Louisiana 70112 or visit the Board of Liquidation's website at www.boardofliquidation.com.

PACIERA, GAUTREAU & PRIEST, LLC

CERTIFIED PUBLIC ACCOUNTANTS

3209 RIDGELAKE DRIVE, SUITE 200

METairie, LA 70002

(504) 486-5573

FAX (504) 486-6091

www.pgpcpa.com

KIRTH M. PACIERA, C.P.A.

RENE G. GAUTREAU, C.P.A.

TIMOTHY L. PRIEST, C.P.A.

**MEMBERS OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS**

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS**

SIDNEY T. SPILSBURY, C.P.A.

(1905-1985)

KEITH T. HAMILTON, C.P.A.

(1932-2003)

LEROY P. LEGENDRE, C.P.A.

(Retired)

INDEPENDENT AUDITOR'S REPORT

Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt
New Orleans, Louisiana

We have audited the accompanying financial statements of the Board of Liquidation, City Debt, a component unit of the City of New Orleans, as of and for the year ended December 31, 2011 as listed in the table of contents. These financial statements are the responsibility of the Board of Liquidation, City Debt's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note B, the Board of Liquidation, City Debt prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and custodial, debt service and reserve fund balances of the Board of Liquidation, City Debt, at December 31, 2011, and cash receipts, disbursements and changes in liabilities, custodial, debt service and reserve fund balances thereof for the year then ended, in conformity with the basis of accounting described in Note B.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2012 on our consideration of the Board of Liquidation, City Debt's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that

Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt

report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purposes of additional analysis, and is not a required part of the financial statements of the Board of Liquidation, City Debt. The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The composition and transmittal sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Paciera, Gautreau & Priest, LLC

March 8, 2012

FINANCIAL STATEMENTS

BOARD OF LIQUIDATION, CITY DEBT
FIDUCIARY FUND TYPE - AGENCY FUND
COMBINING STATEMENT OF ASSETS, LIABILITIES, CUSTODIAL,
DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2011

	<u>Debt Administration</u>	<u>Account of Sewerage & Water Board</u>
<u>ASSETS</u>		
Cash	\$ 91,338	\$ 1,128,427
Money market accounts	94,351,648	34,817,094
Total Assets	<u>\$ 94,442,986</u>	<u>\$ 35,945,521</u>
<u>LIABILITIES, CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS</u>		
Interest payable	\$ 90,503	\$ 0
Principal payable	171,200	0
Cost of Issuance payable	46,295	0
Tax Credit Bond loan payable	27,617,209	77,465,247
Reserve funds	50,533,201	0
Debt service funds	15,984,578	0
Custodial fund balance (deficit)	0	(41,519,726)
Total Liabilities, Custodial, Debt Service and Reserve Funds	<u>\$ 94,442,986</u>	<u>\$ 35,945,521</u>

See accompanying notes to financial statements.

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total (Memorandum Only)
\$ 81,486	\$ 81,276	\$ 0	\$ 1,382,527
2,703,690	2,153,866	2,058,995	136,085,293
<u>\$ 2,785,176</u>	<u>\$ 2,235,142</u>	<u>\$ 2,058,995</u>	<u>\$ 137,467,820</u>
\$ 0	\$ 0	\$ 0	\$ 90,503
0	0	0	171,200
0	0	0	46,295
1,600,153	11,851,006	0	118,533,615
0	0	0	50,533,201
0	0	0	15,984,578
<u>1,185,023</u>	<u>(9,615,864)</u>	<u>2,058,995</u>	<u>(47,891,572)</u>
<u>\$ 2,785,176</u>	<u>\$ 2,235,142</u>	<u>\$ 2,058,995</u>	<u>\$ 137,467,820</u>

BOARD OF LIQUIDATION, CITY DEBT
FIDUCIARY FUND TYPE - AGENCY FUND
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN LIABILITIES,
CUSTODIAL, DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2011

	Debt Administration	Account of Sewerage & Water Board
<u>RECEIPTS</u>		
Ad valorem taxes-Current year	\$ 63,494,049	\$ 38,828,273
Ad valorem taxes-Prior years	3,579,069	3,064,203
Bond proceeds-new issue	51,015,532	1,490,118
Bond proceeds-cost of issuance	367,309	0
Fee-Current year	0	0
Fee-Prior years	0	0
Revenue sharing-State of Louisiana	0	323,143
Debt service funds	31,595,141	0
Debt service funds-Federal subsidy- Taxable Build America Bonds	1,125,018	0
Interest on investments	212,540	128,594
Excess reserve and debt service funds	73,304	59,495
Total receipts	151,461,962	43,893,826
<u>DISBURSEMENTS</u>		
Interest on bonds	63,125,753	0
Principal on bonds	59,299,007	0
Premium on bonds	470,235	0
Purchase escrow securities	24,608,262	0
Administrative expenses - LADHH	2,842	0
Warrants	0	53,742,626
Debt service	0	2,304,122
Personal services	397,877	0
Contractual services	64,890	0
Office expenses	26,981	0
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	2,511,885	0
Cost of issuance	321,013	0
Total disbursements	150,828,745	56,046,748
Excess (Deficiency) of receipts over disbursements	633,217	(12,152,922)
Liabilities, Custodial, Debt Service and Reserve Funds at:		
December 31, 2010	93,809,769	48,098,443
December 31, 2011	\$ 94,442,986	\$ 35,945,521

See accompanying notes to financial statements.

Account of Downtown Development District	Account of Audubon Park Commission	Accounts of Special Taxing Districts	Total (Memorandum Only)
\$ 5,130,239	\$ 7,821,816	\$ 1,146,041	\$ 116,420,418
220,488	472,151	77,181	7,413,092
0	2,421,357	0	54,927,007
0	0	0	367,309
0	0	875,812	875,812
0	0	124,429	124,429
0	0	0	323,143
0	0	0	31,595,141
0	0	0	1,125,018
11,140	1,549	5,797	359,620
709	871	0	134,379
<u>5,362,576</u>	<u>10,717,744</u>	<u>2,229,260</u>	<u>213,665,368</u>
0	0	0	63,125,753
0	0	0	59,299,007
0	0	0	470,235
0	0	0	24,608,262
0	0	0	2,842
5,363,299	4,205,040	1,740,510	65,051,475
560,001	4,279,128	0	7,143,251
0	0	0	397,877
0	0	0	64,890
0	0	0	26,981
0	0	0	2,511,885
0	0	0	321,013
<u>5,923,300</u>	<u>8,484,168</u>	<u>1,740,510</u>	<u>223,023,471</u>
(560,724)	2,233,576	488,750	(9,358,103)
3,345,900	1,566	1,570,245	146,825,923
<u>\$ 2,785,176</u>	<u>\$ 2,235,142</u>	<u>\$ 2,058,995</u>	<u>\$ 137,467,820</u>

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
DECEMBER 31, 2011

A. General Information

The Board of Liquidation, City Debt (the "Board") is a component unit of the City of New Orleans (the "City"). The Board has exclusive control and direction of all matters relating to the bonded debt of the City. Accordingly, all of the City's general obligation bonds, and the limited tax bonds issued for the Sewerage & Water Board of New Orleans, the Downtown Development District of New Orleans, and the Audubon Park Commission of New Orleans are sold by and through the Board. No bonds may be sold without approval of the members of the Board. All property taxes levied by the City and dedicated to the payment of outstanding general obligation and limited tax bonds are collected by the City and, as required by law, paid over to the Board, day by day as collected. Such tax revenues are invested in fully secured money market accounts, certificates of deposit, and/or full faith and credit obligations of the U.S. Government until applied by the Board to the payment of principal and interest on outstanding bonds.

The Board annually determines the amount of Ad Valorem Tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during such year of principal and interest on all outstanding general obligation bonds of the City and all such general obligation bonds proposed to be issued by the City in such year. This determination is based upon an analysis by the Board of the current and anticipated assessed value of taxable property in the City and current and anticipated cash reserves held by the Board. The assessed value of property in the City for each year is determined by the Orleans Parish Assessor and certified by the Louisiana Tax Commission as complying with the Louisiana Constitution of 1974. The annual determination of the necessary tax millage to service bonds of the City is adopted by resolution of the Board that is submitted to the City Council. The millage recommended by the Board is then levied by the City Council.

No general obligation bonds, special tax bonds, or revenue bonds of the agencies mentioned above may be issued by the City without the approval of the Board and the City Council. The Board requires as a condition of such approval that a) the reasonably anticipated property tax revenues of the City be adequate to service the proposed bond issue and all outstanding bonds of the City and to maintain reasonable reserves, b) the proposed bond issue comply with any applicable legal debt limitation, and c) the purposes for which the bonds are sold be capital in nature. All new general obligation bond issuance must be approved by a majority of the voters in the City. Act 1 of 1994 by the Louisiana Legislature establishes the legal debt limit for the City. Act 4 of 1916, as amended, by the Louisiana Legislature and Article VI, Section 33 of the Louisiana Constitution of 1974 provides that the full faith and credit of the City are pledged for its general obligation bonds and the City is authorized to levy taxes upon all taxable property in the City without limitation of rate or amount sufficient to pay the principal and interest on such bonds as they mature.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2011

General Information (Cont'd)

The Board issues bonds for the Sewerage & Water Board of New Orleans, the Downtown Development District of New Orleans, and the Audubon Park Commission of New Orleans. Issued in the name of the City, these bonds may be funded by the dedicated millage or water and sewer rates. The Sewerage & Water Board, the City Council, and the Board, must approve the water and sewerage service rates necessary to fund any bonds. Ad Valorem Tax millage necessary to service special tax bonds is set by statute and levied by the City Council each year. Ad Valorem Tax millage necessary to service the general obligation bonded debt each year is determined by the Board, and is levied by the City Council annually.

In addition, the Board serves in a custodial capacity for the accounts of the Sewerage & Water Board of New Orleans, the Downtown Development District of New Orleans, the Audubon Park Commission of New Orleans, the Lake Forest Estates Improvement District, the Garden District Security Tax District, the Spring Lake Improvement District, the Lake Bullard Neighborhood Improvement District, the Lake Carmel Subdivision Improvement District, Lake Oaks Subdivision Improvement District, the Huntington Park Subdivision Improvement District, the McKendall Estates Neighborhood Improvement District, the Upper Hurstville Security District, the Touro-Boulogny Security District, the Kingswood Subdivision Improvement District and the Twinbrook Security District

Funds collected for these agencies are deposited in special accounts or invested in money market accounts, certificates of deposit, and/or full faith and credit obligations of the U.S. Government. The Board pays any expenditure made from these accounts as authorized by warrants and supporting resolutions of the various agencies.

Administration expenditures paid in connection with the operations of the Board are recorded within Debt Administration.

B Summary of Significant Accounting Policies

Fund Accounting

The Board maintains one Fiduciary Fund to account for its activities, the Agency Fund. An Agency fund is used to account for assets held for other funds, governments, or individuals. Accordingly, the accounts of the Board are organized and maintained on the basis of funds, each of which is considered a separate accounting entity, and is maintained for the purpose of attaining objectives in accordance with the various special restrictions, regulations and limitations.

Method of Accounting

The Board prepares its financial statements on the modified cash basis of accounting wherein receipts are recognized when received rather than when earned and disbursements are recognized when disbursed rather than when incurred, except for matured and unpaid bonds and coupons, certain cost of issuance and the tax credit bond loan proceeds, which are reflected as liabilities when the obligation is incurred

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2011

C. Bank Balances

At December 31, 2011, the Board's deposits with banks consisted of cash and money market accounts as follows:

Demand accounts	\$ 1,658,571
Money market accounts	<u>136,085,293</u>
Total Bank Balances	<u>\$137,743,864</u>

These deposits were covered by Federal Deposit Insurance or by collateral held by a third party in the Board's name as follows:

Insured	\$ 752,005
Collateralized	<u>136,991,859</u>
Total Bank Balances	<u>\$137,743,864</u>

D. Annual and Sick Leave

All present employees of the Board are permitted to accumulate annual and sick leave. Upon termination of employment, an employee is paid for their accumulated annual leave based on their current hourly rate of pay, and for their accumulated sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting their accrued sick leave to additional years of service

As described in Note B, the Board's financial statements are prepared on the modified cash basis of accounting; accordingly, the Board's liability for annual and sick leave is not reflected in the accompanying financial statements.

At December 31, 2011 the Board's liability for annual and sick leave totaled \$133,000.

E. Pension Plan

Employees of the Board are covered under a City of New Orleans Employees' Pension Plan, a single-employer, and contributory defined benefit pension plan. The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This report may be obtained by writing or calling the plan at

Employee Retirement System of New Orleans
1300 Perdido Street, Room 1E08
New Orleans, Louisiana 70112
(504) 658-1850

Under this plan, employees with thirty years of service, or who attain age sixty with ten years of service, or age sixty-five, irrespective of length of service are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employees' accumulated contribution plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2011

Pension Plan (Cont'd)

amounts are reduced for service retirement prior to age sixty-two. Average compensation is defined as average earned annual compensation for the highest thirty-six consecutive months of service. Mandatory retirement age is seventy.

Pension benefits vest at age sixty or after completion of ten years of service. The Employees' Pension Plan also provides death and disability benefits.

Employees contribute 4% of their salary per year. Employer contributions to the plan are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years beginning July 1, 1974, using the level percentage of payroll method. The Board's contributions to the Plan during the year totaled \$56,672 and is included in 'Personal services'.

F Gulf Opportunity Tax Credit Bond Loan Program

On July 19, 2006 the Board entered into Cooperative Endeavor Agreements with the State of Louisiana to secure proceeds from the State's Gulf Opportunity Tax Credit Bond Loan Program. These agreements are intended for the following purposes:

Paying debt service of the City on outstanding debt for general obligation and special limited tax bonds.

Paying outstanding debt for special tax bonds of the:

Downtown Development District,

Audubon Commission, and

Sewerage & Water Board of New Orleans, and

Paying outstanding sewerage revenue and water revenue bonds of the Sewerage & Water Board.

The loan proceeds will be held in escrow at Hancock Bank and distributed to the Bank of New York, the Board's paying agent, as debt service maturities become payable. The amounts in escrow are not recorded on the books until these transfers take place. Once transferred, the debt service payments are made and the loan proceeds are recorded as loans payable in the appropriate custodial accounts.

These loans mature on July 15, 2012, at which time the borrower can either apply for a five year deferment, pay the loan in full or make semi-annual payments in accordance with the fifteen year debt service schedule that ends on July 15, 2026.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2011

Gulf Opportunity Tax Credit Bond Loan Program (Cont'd)

Total amounts available and borrowed under these loans at December 31, 2011 are.

Cooperative Endeavor Agreement between the State and

Board of Liquidation.

General obligation bonds	\$ 24,713,549
Limited tax bonds	<u>2,903,660</u>

27,617,209

Downtown Development District	<u>1,600,153</u>
-------------------------------	------------------

Audubon Park Commission

Audubon Park Commission 0.32 Mills	1,091,230
Audubon Park Commission 2.99 Mills	<u>10,759,776</u>

11,851,006

Sewerage & Water Board	<u>77,465,247</u>
------------------------	-------------------

\$118,533,615

As of December 31, 2011, the \$24,713,549 available for general obligation bonds was borrowed to make fiscal year 2006 debt service payments

As of December 31, 2011, the \$2,903,660 available for the City of New Orleans Limited Tax bonds was borrowed to make the debt service payment that was due September 1, 2006 and March 1, 2007 debt service payment.

As of December 31, 2011, \$1,600,153 available for the Downtown Development District was borrowed to make the debt service payments due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, December 1, 2008 and June 1, 2009

As of December 31, 2011, the \$11,851,006 available for the Audubon Commission was borrowed to make the debt service payments due on October 1, 2006, December 1, 2006, April 1, 2007, June 1, 2007, October 1, 2007, December 1, 2007, April 1, 2008, June 1, 2008, October 1, 2008, December 1, 2008 and June 1, 2009.

In addition to the above loans, the Audubon Park Commission's Cooperative endeavor agreement includes an additional \$4,907,500 for their 1997 Aquarium Revenue Bonds. These bonds are not part of the Board's responsibility, accordingly, the related loan is not included in the accompanying financial statements.

As of December 31, 2011, the entire \$77,465,247 available for the Sewerage & Water Board of New Orleans was borrowed. \$45,965,247 was used to make debt service payments on the Drainage System special tax bonds, Sewerage Service Revenue and Water Revenue bonds that were due on December 1, 2006, June 1, 2007, December 1, 2007, June 1, 2008, and \$31,500,000 was used to make a partial payment on the maturing Sewerage Service Revenue bond anticipation notes that matured on July 26, 2006

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2011

Gulf Opportunity Tax Credit Bond Loan Program (Cont'd)

Debt service payments made through the Gulf Opportunity Tax Credit Loan Program, if present, are recorded as defeased bonds and listed separately from the outstanding bonds of the Audubon Commission, Downtown Development District, and Sewerage & Water Board of New Orleans

G. Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund

On February 1, 2010, the Board, Sewerage & Water Board of New Orleans, and Louisiana Department of Health and Hospitals entered into a loan agreement whereby \$3,400,00 of proceeds from the Drinking Water Revolving Loan Fund were borrowed through the issuance of Revenue Bonds, Series 2010A&B. The proceeds are transferred to the Sewerage & Water Board through the Board, acting as custodian for the purpose of paying a portion of the costs of capital improvements to the water system of the City, including, but not limited to, a sodium hypochlorite facility.

Security for the Revenue Bonds, Series 2010A&B, comes from a pledge of Sewerage & Water Board Construction and Extension Fund ad valorem taxes that were on hand with the Board acting as custodian. The funds are restricted to the Debt Administration fund to repay the loan.

The Louisiana Department of Health and Hospitals agrees to forgive 30% of the loan proceeds as the funds are drawn and agrees to set the interest rate at 2.95%. In addition to the interest there is an administrative fee of .50%. The interest and fee are payable on August 1, and February 1, until the loan is repaid. Repayment will be with the funds held in the Board's restricted debt administration account.

H. Audubon Park Commission Aquarium Refunding

On September 22, 2011, the Audubon Park Commission entered into two transactions. First, they issued \$24,370,000 of Aquarium Tax Bonds, Series 2011A-1, tax exempt refunding bonds, for the purpose of refunding outstanding Aquarium Bonds, Series 2001A and 2001B. Second, they issued \$630,000 of Aquarium Tax Bonds, Series 2011A-2, taxable bonds, for the purpose of paying a portion of accrued interest on the Aquarium Bonds, Series 2011A-1.

Proceeds from both issues were placed in the irrevocable cash escrow account to defease outstanding Aquarium 2001A and 2001B bonds and provide amounts sufficient for payment of all principal, interest and premium on the refunded bonds as of the call date, October 3, 2011. Accordingly, the escrow account and refunded bonds are not included on these financial statements. At December 31, 2011, there was no outstanding balance related to the refunded Aquarium limited tax bonds.

I. Louisiana Department of Environmental Quality Revolving Loan Fund

On November 22, 2011, the Board, Sewerage & Water Board of New Orleans, and Louisiana Department of Environmental Quality entered into a loan agreement whereby \$9,000,000 of proceeds from the Revolving Loan Fund were borrowed through the issuance of Sewerage Service Subordinate Revenue Bonds, Series 2011. The proceeds are transferred to the Sewerage & Water Board through the Board acting as custodian. The funds are for the purpose of paying costs of constructing and acquiring improvements and replacements to the public sewerage system

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO FINANCIAL STATEMENTS-MODIFIED CASH BASIS
(Continued)
DECEMBER 31, 2011

Louisiana Department of Environmental Quality Revolving Loan Fund (Cont'd)

Security for the Subordinate Revenue Bonds, Series 2011, comes from a pledge of Sewerage & Water Board sewerage service revenues. Sinking fund payments to the Board, as custodian, are deposited monthly.

The Louisiana Department of Environmental Quality has agreed to set the interest rate at 0.45%. In addition to the interest there is an administrative fee of 0.50%. The interest and fee are payable on May 1, and November 1. The first principal payment is due November 1, 2013

J. Total (Memorandum Only) Columns

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position in accordance with the other comprehensive basis of accounting disclosed in Note B. Interfund eliminations have not been made in the aggregation of this data

SUPPLEMENTAL INFORMATION

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF ASSETS, LIABILITIES,
DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2011

	General Obligation Bonds	Capital Improvement Limited Tax	LADHH Loan Revenue Bonds	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill
<u>ASSETS</u>					
Cash (Due to other funds)	\$ (97,976)	\$ 0	\$ 3,957	\$ 80	\$ 23,905
Money market accounts	54,794,278	5,551,683	2,355,376	0	100,575
<i>Total Assets</i>	<u>\$ 54,696,302</u>	<u>\$ 5,551,683</u>	<u>\$ 2,359,333</u>	<u>\$ 80</u>	<u>\$ 124,480</u>
<u>LIABILITIES, DEBT SERVICE AND RESERVE FUNDS</u>					
Interest payable	\$ 40,713	\$ 0	\$ 0	\$ 80	\$ 5,755
Principal payable	82,300	0	0	0	18,150
Cost of Issuance payable	0	0	0	0	0
Tax Credit Bond loan payable	24,713,549	2,903,660	0	0	0
Reserve funds	29,859,740	0	0	0	0
Debt service funds	0	2,648,023	2,359,333	0	100,575
<i>Total Liabilities, Debt Service and Reserve Funds</i>	<u>\$ 54,696,302</u>	<u>\$ 5,551,683</u>	<u>\$ 2,359,333</u>	<u>\$ 80</u>	<u>\$ 124,480</u>

Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Develop- ment District Tax Bonds	Defeased Bonds	Total
\$ 7,561	\$ 26,755	\$ 37,142	\$ 710	\$ 25,667	\$ 0	\$ 63,537	\$ 91,338
5,033,696	25,622,937	0	332,443	249,627	311,033	0	94,351,648
<u>\$ 5,041,257</u>	<u>\$ 25,649,692</u>	<u>\$ 37,142</u>	<u>\$ 333,153</u>	<u>\$ 275,294</u>	<u>\$ 311,033</u>	<u>\$ 63,537</u>	<u>\$ 94,442,986</u>
\$ 2,506	\$ 810	\$ 12,142	\$ 710	\$ 0	\$ 0	\$ 27,787	\$ 90,503
5,000	5,000	25,000	0	0	0	35,750	171,200
0	20,628	0	0	25,667	0	0	46,295
0	0	0	0	0	0	0	27,617,209
3,928,380	16,164,124	0	307,088	0	273,869	0	50,533,201
1,105,371	9,459,130	0	25,355	249,627	37,164	0	15,984,578
<u>\$ 5,041,257</u>	<u>\$ 25,649,692</u>	<u>\$ 37,142</u>	<u>\$ 333,153</u>	<u>\$ 275,294</u>	<u>\$ 311,033</u>	<u>\$ 63,537</u>	<u>\$ 94,442,986</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2011

	Drainage System Fund 3 mill	Drainage System Fund 6 mill	Drainage System Fund 9 mill
<u>ASSETS</u>			
Cash	\$ 112,154	\$ 113,401	\$ 727,106
Money market accounts	5,040,720	3,954,438	18,066,507
<i>Total Assets</i>	<u>\$ 5,152,874</u>	<u>\$ 4,067,839</u>	<u>\$ 18,793,613</u>
<u>LIABILITIES AND CUSTODIAL FUNDS</u>			
Tax Credit Bond loan payable	\$ 0	\$ 0	\$ 4,335,115
Custodial fund balance (deficit)	5,152,874	4,067,839	14,458,498
<i>Total Liabilities and Custodial Funds</i>	<u>\$ 5,152,874</u>	<u>\$ 4,067,839</u>	<u>\$ 18,793,613</u>

<u>Drainage System Bond Proceeds</u>	<u>Water Revenue Bond Proceeds</u>	<u>Sewerage Service Revenue Bond Proceeds</u>	<u>Total</u>
\$ 13,110	\$ 18,914	\$ 143,742	\$ 1,128,427
1,013,753	2,029,137	4,712,539	34,817,094
<u>\$ 1,026,863</u>	<u>\$ 2,048,051</u>	<u>\$ 4,856,281</u>	<u>\$ 35,945,521</u>
\$ 0	\$ 6,807,041	\$ 66,323,091	\$ 77,465,247
1,026,863	(4,758,990)	(61,466,810)	(41,519,726)
<u>\$ 1,026,863</u>	<u>\$ 2,048,051</u>	<u>\$ 4,856,281</u>	<u>\$ 35,945,521</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2011

	Special Tax Fund	DDD Bond Proceeds	Total
<u>ASSETS</u>			
Cash	\$ 79,006	\$ 2,480	\$ 81,486
Money market accounts	2,347,819	355,871	2,703,690
<i>Total Assets</i>	<u>\$2,426,825</u>	<u>\$ 358,351</u>	<u>\$2,785,176</u>
<u>LIABILITES AND CUSTODIAL FUNDS</u>			
Tax Credit Bond loan payable	\$1,600,153	\$ 0	\$1,600,153
Custodial fund balance	826,672	358,351	1,185,023
<i>Total Liabilites and Custodial Funds</i>	<u>\$2,426,825</u>	<u>\$ 358,351</u>	<u>\$2,785,176</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2011

	Aquarium Tax Fund	Aquarium Bond Proceeds	Special Tax Fund	Total
<u>ASSETS</u>				
Cash	\$ 72,536	\$ 0	\$ 8,740	\$ 81,276
Money market accounts	0	2,153,866	0	2,153,866
<i>Total Assets</i>	<u>\$ 72,536</u>	<u>\$ 2,153,866</u>	<u>\$ 8,740</u>	<u>\$ 2,235,142</u>
<u>LIABILITIES AND CUSTODIAL FUNDS</u>				
Tax Credit Bond loan payable	\$ 10,759,776	\$ 0	\$ 1,091,230	\$ 11,851,006
Custodial fund balance (deficit)	(10,687,240)	2,153,866	(1,082,490)	(9,615,864)
<i>Total Liabilities and Custodial Funds</i>	<u>\$ 72,536</u>	<u>\$ 2,153,866</u>	<u>\$ 8,740</u>	<u>\$ 2,235,142</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
COMBINING SCHEDULE OF ASSETS AND
CUSTODIAL FUNDS-MODIFIED CASH BASIS
DECEMBER 31, 2011

	Garden District Security Tax District	Huntington Park Subdivision Improvement District	Kingswood Subdivision Improvement District	Lake Bullard Neighborhood Improvement District	Lake Carmel Subdivision Improvement District	Lake Forest Estates Improvement District
<u>ASSETS</u>						
Money market accounts	<u>\$ 1,021,697</u>	<u>\$ 13,743</u>	<u>\$ 145,567</u>	<u>\$ 66,362</u>	<u>\$ 36,263</u>	<u>\$ 96,074</u>
<u>CUSTODIAL FUND</u>						
<u>BALANCE</u>	<u>\$ 1,021,697</u>	<u>\$ 13,743</u>	<u>\$ 145,567</u>	<u>\$ 66,362</u>	<u>\$ 36,263</u>	<u>\$ 96,074</u>

Lake Oaks	McKendall					
Subdivision	Estates		Touro-		Upper	
Improvement	Neighborhood	Spring Lake	Bouligny	Twinbrook	Hurtsville	
District	Improvement	Improvement	Security	Security	Security	
	District	District	District	District	District	Total
<u>\$ 61,922</u>	<u>\$ 13,531</u>	<u>\$ 31,571</u>	<u>\$ 268,270</u>	<u>\$ 133,432</u>	<u>\$ 170,563</u>	<u>\$ 2,058,995</u>
<u>\$ 61,922</u>	<u>\$ 13,531</u>	<u>\$ 31,571</u>	<u>\$ 268,270</u>	<u>\$ 133,432</u>	<u>\$ 170,563</u>	<u>\$ 2,058,995</u>

BOARD OF LIQUIDATION, CITY DEBT
DEBT ADMINISTRATION
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES, DEBT SERVICE AND RESERVE FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2011

	General Obligation Bonds	Capital Improvement Limited Tax	LADHH Loan Revenue Bonds	Drainage System Bonds 6 mill	Drainage System Bonds 9 mill
RECEIPTS					
Ad valorem taxes-Current year	\$ 60,291,635	\$ 3,202,414	\$ 0	\$ 0	\$ 0
Ad valorem taxes-Prior years	3,561,745	17,324	0	0	0
Bond proceeds-new issue	0	0	0	0	0
Bond proceeds-cost of issuance	0	0	0	0	0
Debt service funds	0	0	6,655	0	2,297,467
Debt service funds-Federal subsidy-					
Taxable Build America Bonds	1,125,018	0	0	0	0
Interest on investments	212,540	0	0	0	0
Excess reserve and debt service funds	0	0	5,153	0	0
Total receipts	65,190,938	3,219,738	11,808	0	2,297,467
DISBURSEMENTS					
Interest on bonds	45,354,437	1,177,880	16,703	0	896,892
Principal on bonds	19,675,435	1,780,000	25,000	0	1,300,000
Premium on bonds	0	0	0	0	0
Purchase of escrow securities	0	0	0	0	0
Administrative Expenses-LADHH	0	0	2,842	0	0
Personal services	397,877	0	0	0	0
Contractual services	64,690	0	0	0	0
Office expenses	26,981	0	0	0	0
Funds returned to City of New Orleans, Sewerage & Water Board, and Audubon Park Commission	0	0	0	0	0
Cost of issuance	0	0	0	0	0
Total disbursements	65,519,620	2,957,880	44,545	0	2,196,892
Excess (Deficiency) of receipts over disbursements	(328,682)	261,858	(32,737)	0	100,575
Liabilities, Debt Service and Reserve funds at.					
December 31, 2010	55,024,984	5,289,825	2,392,070	80	23,905
December 31, 2011	<u>\$ 54,696,302</u>	<u>\$ 5,551,683</u>	<u>\$ 2,359,333</u>	<u>\$ 80</u>	<u>\$ 124,480</u>

Water Revenue Bonds	Sewerage Service Revenue Bonds	Sewerage & Water Board Matured Bonds	Audubon Park Commission Bonds	Audubon Park Commission Aquarium Bonds	Downtown Development District Tax Bonds	Defeased Bonds	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 63,494,049
0	0	0	0	0	0	0	3,579,069
0	0	0	0	27,029,619	0	23,985,913	51,015,532
0	98,375	0	0	268,934	0	0	367,309
3,906,599	20,545,292	0	399,072	3,880,055	560,001	0	31,595,141
0	0	0	0	0	0	0	1,125,018
0	0	0	0	0	0	0	212,540
12,992	53,934	0	672	0	553	0	73,304
3,919,591	20,697,601	0	399,744	31,178,608	560,554	23,985,913	151,461,962
1,685,618	8,435,056	0	98,755	1,100,429	287,877	4,072,106	63,125,753
2,220,000	11,815,000	0	275,000	2,530,000	235,000	19,443,572	59,299,007
0	0	0	0	0	0	470,235	470,235
0	0	0	0	24,608,262	0	0	24,608,262
0	0	0	0	0	0	0	2,842
0	0	0	0	0	0	0	397,877
0	0	0	0	0	0	0	64,890
0	0	0	0	0	0	0	26,981
16,849	72,099	0	871	2,421,357	709	0	2,511,885
0	77,747	0	0	243,266	0	0	321,013
3,922,467	20,399,902	0	374,626	30,903,314	523,586	23,985,913	150,828,745
(2,876)	297,699	0	25,118	275,294	36,968	0	633,217
5,044,133	25,351,993	37,142	308,035	0	274,065	63,537	93,809,769
\$ 5,041,257	\$ 25,649,692	\$ 37,142	\$ 333,153	\$ 275,294	\$ 311,033	\$ 63,537	\$ 94,442,986

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF SEWERAGE & WATER BOARD OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN LIABILITIES AND CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2011

	LADHH Loan Revenue Bonds	Construction & Extention Fund 2 mill	Drainage System Fund 3 mill
<u>RECEIPTS</u>			
Ad valorem taxes-Current year	\$ 0	\$ 0	\$ 11,011,709
Ad valorem taxes-Prior years	0	4,860	867,784
Bond proceeds	1,490,118	0	0
Revenue sharing-State of Louisiana	0	0	323,143
Interest on investments	0	0	18,423
Excess reserve and debt service funds	0	0	0
<i>Total receipts</i>	<u>1,490,118</u>	<u>4,860</u>	<u>12,221,059</u>
<u>DISBURSEMENTS</u>			
Warrants	1,490,118	0	9,474,112
Debt service	0	6,655	0
<i>Total disbursements</i>	<u>1,490,118</u>	<u>6,655</u>	<u>9,474,112</u>
Excess (Deficiency) of receipts over disbursements	0	(1,795)	2,746,947
Liabilities and Custodial Fund Balance at			
December 31, 2010	0	1,795	2,405,927
December 31, 2011	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,152,874</u>

Drainage System Fund 6 mill	Drainage System Fund 9 mill	Drainage System Bond Proceeds	Water Revenue Bond Proceeds	Sewerage Service Revenue Bond Proceeds	Total
\$ 11,131,307	\$ 16,685,257	\$ 0	\$ 0	\$ 0	\$ 38,828,273
877,213	1,314,346	0	0	0	3,064,203
0	0	0	0	0	1,490,118
0	0	0	0	0	323,143
27,314	56,360	7,960	5,236	13,301	128,594
0	0	0	8,251	51,244	59,495
<u>12,035,834</u>	<u>18,055,963</u>	<u>7,960</u>	<u>13,487</u>	<u>64,545</u>	<u>43,893,826</u>
12,035,134	22,984,366	4,139,172	659,881	2,959,843	53,742,626
0	2,297,467	0	0	0	2,304,122
<u>12,035,134</u>	<u>25,281,833</u>	<u>4,139,172</u>	<u>659,881</u>	<u>2,959,843</u>	<u>56,046,748</u>
700	(7,225,870)	(4,131,212)	(646,394)	(2,895,298)	(12,152,922)
4,067,139	26,019,483	5,158,075	2,694,445	7,751,579	48,098,443
<u>\$ 4,067,839</u>	<u>\$ 18,793,613</u>	<u>\$ 1,026,863</u>	<u>\$ 2,048,051</u>	<u>\$ 4,856,281</u>	<u>\$ 35,945,521</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF DOWNTOWN DEVELOPMENT DISTRICT OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN LIABILITIES AND CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2011

	Special Tax Fund	DDD Bond Proceeds	Total
<u>RECEIPTS</u>			
Ad valorem taxes-Current year	\$5,130,239	\$ 0	\$ 5,130,239
Ad valorem taxes-Prior years	220,488	0	220,488
Interest on investments	10,364	776	11,140
Excess reserve and debt service funds	0	709	709
<i>Total receipts</i>	<u>5,361,091</u>	<u>1,485</u>	<u>5,362,576</u>
<u>DISBURSEMENTS</u>			
Warrants	5,363,299	0	5,363,299
Debt service	560,001	0	560,001
<i>Total disbursements</i>	<u>5,923,300</u>	<u>0</u>	<u>5,923,300</u>
Excess (Deficiency) of receipts over disbursements	(562,209)	1,485	(560,724)
Liabilities and Custodial Fund Balance at:			
December 31, 2010	2,989,034	356,866	3,345,900
December 31, 2011	<u>\$2,426,825</u>	<u>\$ 358,351</u>	<u>\$ 2,785,176</u>

BOARD OF LIQUIDATION, CITY DEBT
ACCOUNT OF AUDUBON PARK COMMISSION OF NEW ORLEANS
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN LIABILITIES AND CUSTODIAL FUNDS-MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2011

	Aquarium Tax Fund	Aquarium Bond Proceeds	Special Tax Fund	Total
<u>RECEIPTS</u>				
Ad valorem taxes-Current year	\$ 7,065,559	\$ 0	\$ 756,257	\$ 7,821,816
Ad valorem taxes-Prior years	426,390	0	45,761	472,151
Bond proceeds	0	2,421,357	0	2,421,357
Interest on investments	0	1,549	0	1,549
Excess reserve and debt service funds	0	0	871	871
<i>Total receipts</i>	<u>7,491,949</u>	<u>2,422,906</u>	<u>802,889</u>	<u>10,717,744</u>
<u>DISBURSEMENTS</u>				
Warrants	3,540,000	269,040	396,000	4,205,040
Debt service	3,880,056	0	399,072	4,279,128
<i>Total disbursements</i>	<u>7,420,056</u>	<u>269,040</u>	<u>795,072</u>	<u>8,484,168</u>
Excess of receipts over disbursements	71,893	2,153,866	7,817	2,233,576
Liabilities and Custodial Fund Balance at:				
December 31, 2010	643	0	923	1,566
December 31, 2011	<u>\$ 72,536</u>	<u>\$ 2,153,866</u>	<u>\$ 8,740</u>	<u>\$ 2,235,142</u>

BOARD OF LIQUIDATION, CITY DEBT
 ACCOUNTS OF SPECIAL TAXING DISTRICTS OF NEW ORLEANS
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CUSTODIAL FUNDS-MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31, 2011

	Garden District Security Tax District	Huntington Park Improvement District	Kingswood Subdivision Improvement District	Lake Bullard Neighbor- hood Improvement District	Lake Carmel Subdivision Improvement District	Lake Forest Estates Improvement District
--	--	---	---	---	---	---

RECEIPTS

Ad valorem taxes- Current year	\$ 897,672	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Ad valorem taxes- Prior years	48,216	0	0	0	0	0
Fee-Current year	0	22,704	73,018	65,333	79,492	83,060
Fee-Prior year	0	3,647	15,190	8,007	19,720	22,235
Interest on investments	2,689	45	350	158	132	246
<i>Total receipts</i>	<u>948,577</u>	<u>26,396</u>	<u>88,558</u>	<u>73,498</u>	<u>99,344</u>	<u>105,541</u>

DISBURSEMENTS

Warrants	695,000	23,010	50,000	45,000	80,000	80,000
<i>Total disbursements</i>	<u>695,000</u>	<u>23,010</u>	<u>50,000</u>	<u>45,000</u>	<u>80,000</u>	<u>80,000</u>

Excess (Deficiency) of receipts over disbursements	253,577	3,386	38,558	28,498	19,344	25,541
Custodial Fund Balance at December 31, 2010	768,120	10,357	107,009	37,864	16,919	70,533
December 31, 2011	<u>\$ 1,021,697</u>	<u>\$ 13,743</u>	<u>\$ 145,567</u>	<u>\$ 66,362</u>	<u>\$ 36,263</u>	<u>\$ 96,074</u>

Lake Oaks Subdivision Improvement District	McKendall Estates Neighborhood Improvement District	Spring Lake Improvement District	Touro- Boulogny Security District	Twinbrook Security District	Upper Hurtsville Security District	Total
\$ 0	\$ 0	\$ 0	\$ 248,369	\$ 0	\$ 0	\$ 1,146,041
0	0	0	28,965	0	0	77,181
95,089	31,975	35,680	0	213,009	176,452	875,812
5,757	2,947	7,292	0	19,308	20,326	124,429
253	41	88	752	474	569	5,797
101,099	34,963	43,060	278,086	232,791	197,347	2,229,260
135,000	32,500	35,000	225,000	165,000	175,000	1,740,510
135,000	32,500	35,000	225,000	165,000	175,000	1,740,510
(33,901)	2,463	8,060	53,086	67,791	22,347	488,750
95,823	11,068	23,511	215,184	65,641	148,216	1,570,245
\$ 61,922	\$ 13,531	\$ 31,571	\$ 268,270	\$ 133,432	\$ 170,563	\$ 2,058,995

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BOND SALES
DECEMBER 31, 2011

Audubon Park Commission Aquarium Refunding Bonds, Series 2011A-1

Sold: August 17, 2011 Delivered: September 22, 2011

Bonds Dated October 1, 2011, and due October 1, 2014 through October 1, 2021

Average life of issue. 6.846502 years

Net Interest Cost 3.276%

True Interest Cost 3.0852875%

Sold to. Loop Capital Markets

Sources:

Bond Proceeds	\$ 24,370,000
Original Issue Premium	2,433,627
Sinking Fund Contribution	442,589
Total	<u>\$ 27,246,216</u>

Uses:

Deposit to Series 2001A Bonds Defeasance Account	\$ 13,991,143
Deposit to Series 2001B Bonds Defeasance Account	10,437,359
APC Aquarium Bond Proceeds Funds	2,421,357
Cost of Issuance	396,357
Total	<u>\$ 27,246,216</u>

Audubon Park Commission Aquarium Refunding Bonds, Taxable Series 2011A-2

Sold: August 17, 2011 Delivered: September 22, 2011

Bonds Dated: October 1, 2011, and due October 1, 2014

Average life of issue. 3.025 years

Net Interest Cost 1.867%

True Interest Cost 1.8725%

Sold to Loop Capital Markets

Sources.

Bond Proceeds	\$ 630,000
Total	<u>\$ 630,000</u>

Uses

Deposit to Series 2011A-1 Bonds Defeasance Account	\$ 622,349
Cost of Issuance	7,651
Total	<u>\$ 630,000</u>

Sewerage Service Subordinate Revenue Bonds, Series 2011

Sold. November 16, 2011 Delivered November 22, 2011

Bonds Dated: November 22, 2011, and due November 1, 2013 through November 1, 2032

Average life of issue: 11.753667 years

Net Interest Cost. .95%

True Interest Cost .9500105%

Sold to: Louisiana Department of Environmental Quality Drinking Water Revolving
 Loan Fund

Sources

Principal sum	\$ 9,000,000
Total	<u>\$ 9,000,000</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2011

	<u>Date of Bonds</u>	<u>Final Serial Maturity</u>	<u>Average Annual Interest Cost</u>
<u>GENERAL OBLIGATION BONDS (Note B.)</u>			
General Obligation Refunding Bonds, Series 1991 (Notes C. and D.)	Sep. 1, 1991	Sep. 1, 2021	7.071%
General Obligation Refunding Bonds, Series 1998	Dec. 1, 1998	Dec. 1, 2026	4.948%
Public Improvement Bonds, Issue of 2001	Apr. 1, 2001	Dec. 1, 2030	5.225%
Public Improvement Bonds, Issue of 2002	Apr. 1, 2002	Dec. 1, 2031	5.307%
General Obligation Refunding Bonds, Series 2002	Apr. 1, 2002	Sep. 1, 2021	5.384%
Public Improvement Bonds, Issue of 2003	Oct. 1, 2003	Oct. 1, 2033	5.021%
Public Improvement Bonds, Issue of 2004	July 13, 2004	Dec. 1, 2033	5.096%
Public Improvement Bonds, Issue of 2005A	May 24, 2005	Dec. 1, 2034	4.347%
General Obligation Refunding Bonds, Series 2005	July 6, 2005	Dec. 1, 2029	5.180%
Public Improvement Bonds, Issue of 2007A	Dec. 14, 2007	Dec. 1, 2036	5.086%
Public Improvement Bonds, Issue of 2010A Taxable Build America Bonds	Jan. 19, 2010	Dec. 1, 2039	8.405%
<u>LIMITED TAX BONDS (Note E.)</u>			
Series 2005	July 6, 2005	Mar. 1, 2021	4.045%
<u>DRAINAGE SYSTEM SPECIAL TAX BONDS (Note F.)</u>			
Drainage System Bonds, Series 1998 (9 mill)	Dec. 1, 1998	Dec. 1, 2018	4.838%
Series 2002 (9 mill)	Oct. 1, 2002	Dec. 1, 2022	4.457%

See accompanying notes.

Principal due 2012	Interest due 2012	Debt Service due 2012	Amount Outstanding (Note A)
\$ 5,971,942	\$ 19,473,058	\$ 25,445,000	\$ 33,798,556
3,715,000	4,454,162	8,169,162	84,115,000
610,000	995,188	1,605,188	19,610,000
820,000	1,461,393	2,281,393	27,760,000
0	3,018,769	3,018,769	58,415,000
1,005,000	1,774,862	2,779,862	35,395,000
750,000	1,476,787	2,226,787	29,220,000
365,000	636,650	1,001,650	14,380,000
4,370,000	5,032,450	9,402,450	96,920,000
1,580,000	3,593,075	5,173,075	70,645,000
735,000	3,177,693	3,912,693	39,285,000
<u>\$ 19,921,942</u>	<u>\$ 45,094,087</u>	<u>\$ 65,016,029</u>	<u>\$ 509,543,556</u>
<u>\$ 1,860,000</u>	<u>\$ 1,112,200</u>	<u>\$ 2,972,200</u>	<u>\$ 23,360,000</u>
\$ 570,000	\$ 224,785	\$ 794,785	\$ 4,610,000
790,000	621,263	1,411,263	14,380,000
<u>\$ 1,360,000</u>	<u>\$ 846,048</u>	<u>\$ 2,206,048</u>	<u>\$ 18,990,000</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF BONDED DEBT ADMINISTERED BY THE BOARD OF LIQUIDATION, CITY DEBT
(CONTINUED)
DECEMBER 31, 2011

	<u>Date of Bonds</u>	<u>Final Serial Maturity</u>	<u>Average Annual Interest Cost</u>
<u>SEWERAGE SERVICE REVENUE BONDS</u>			
<u>(Note G.)</u>			
Bond Series 1997	June 1, 1997	June 1, 2017	5.359%
Bond Series 1998	Dec. 1, 1998	June 1, 2018	4.817%
Bond Series 2000	May 1, 2000	June 1, 2020	5.478%
Bond Series 2000B	Nov. 1, 2000	June 1, 2020	5.424%
Bond Series 2001	Dec. 1, 2001	June 1, 2021	5.018%
Bond Series 2002	Dec. 1, 2002	June 1, 2022	4.362%
Bond Series 2003	Dec. 3, 2003	June 1, 2023	3.939%
Bond Series 2004	Dec. 16, 2004	June 1, 2024	4.262%
Bond Series 2009	July 14, 2009	June 1, 2029	6.282%
<u>LADHH LOAN REVENUE BONDS (Note G.)</u>			
Series 2010A	Feb. 1, 2010	Feb. 1, 2031	2.950%
Series 2010B	Feb. 1, 2010	Feb. 1, 2031	2.950%
<u>SEWERAGE SERVICE REVENUE</u>			
<u>SUBORDINATE BONDS (Note G.)</u>			
LA Department of Environmental Quality Revolving Loan Fund			
Series 2011	Nov. 22, 2011	Nov. 1, 2032	0.950%
<u>WATER REVENUE BONDS (Note H.)</u>			
Series 1998	Dec. 1, 1998	Dec. 1, 2018	4.817%
Series 2002	Oct. 1, 2002	Dec. 1, 2022	4.567%
<u>AUDUBON PARK COMMISSION BONDS</u>			
<u>.4 MILL (Note I.)</u>			
Refunding & Improvement Bonds, Series 1997	Jan. 1, 1997	Dec. 1, 2016	5.422%
<u>AUDUBON PARK COMMISSION AQUARIUM</u>			
<u>BONDS 3.8 MILL (Note J.)</u>			
Refunding Bonds, Series 2003A	July 9, 2003	Oct. 1, 2013	3.726%
Refunding Bond Series 2011A-1	Sep. 22, 2011	Oct. 1, 2021	3.085%
Refunding Taxable Bond Series 2011A-2	Sep. 22, 2011	Oct. 1, 2014	1.872%
<u>DOWNTOWN DEVELOPMENT DISTRICT TAX</u>			
<u>BONDS 22.97 MILL (Note K.)</u>			
Limited Tax Bonds Series 2001	July 1, 2001	Dec. 1, 2026	5.193%

See accompanying notes.

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF BONDED DEBT ADMINISTERED
BY THE BOARD OF LIQUIDATION, CITY DEBT
DECEMBER 31, 2011

- Note A. Amount Outstanding - Amount excludes balances recorded as liabilities in the Combining Statement of Assets, Liabilities, and Custodial, Debt Service and Reserve Funds-Modified Cash Basis.
- Note B. General Obligation Bonds - Legal Debt Limit. \$1,168,903,891; Debt Service Coverage: Unlimited Ad Valorem Tax Levy; Reserve Fund. Sufficient to cover 1/2 of the high year's Principal and Interest due.
- Note C. Refunded General Obligation Bonds (1998) - A portion of these Issues Refunded in 1998. Debt Service guaranteed by Escrow Agreement.
- Note D. Refunded General Obligation Bonds (2002) - A portion of these Issues Refunded in 2002. Debt Service guaranteed by Escrow Agreement.
- Note E. Limited Tax Bonds - Debt Service Coverage: 2011 Tax Yield 100% of Debt Service due.
- Note F. Drainage System Bonds - Debt Service Coverage: 2011 Tax Yield 756% of Debt Service Due - 9 mill.
- Note G. Sewerage Service Revenue Bonds - Bond Debt Service Coverage: Rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. Bond Reserve Fund: 125% average aggregate debt service. LADHH Loan Revenue Bonds 2010A and B are payable February and August as loan proceeds are drawn from Louisiana Department of Health and Hospitals Drinking Water Revolving Loan Fund. At December 31, 2011, \$2,157,835 was drawn from the loan fund. LEDEQ Sewerage Service Subordinate Revenue Bonds, Series 2011 payable May and November as loan proceeds drawn not to exceed \$9,000,000 from the LA State Revolving Loan Program. At December 31, 2011, \$98,375 was drawn from the loan fund.
- Note H. Water Revenue Bonds - Debt Service Coverage. Rates sufficient to produce revenues over and above the amount required for operation and maintenance of the system which shall be not less than 130% of the maximum of Debt Service due in any calendar year on all outstanding bonds. Reserve Fund: Highest year's principal and interest due.
- Note I. Audubon Park Commission .4 Mill Bonds - Debt Service Coverage: 2011 Tax Yield 201% of Debt Service due. Reserve Fund: Sufficient to cover 1/2 of high year's Principal and Interest due.
- Note J. Audubon Park Commission 3.8 Mill Bonds - Debt Service Coverage: 2011 Tax Yield 221% of Debt Service due. Reserve Fund: None.
- Note K. Downtown Development District Bonds - Debt Service Coverage: 2011 Tax Yield 982% of Debt Service due. Reserve Fund: Sufficient to cover The high year's Principal and Interest due.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2011

	Millage (Note A.)							
	1992	1993 through 2002	2003 through 2005	2006	2007	2008	2009	2010 through 2012
<u>DEBT SERVICE</u>	26.90	26.90	28.40	38 20	31 70	23.80	23.80	25 50
<u>CAPITAL IMPROVEMENT</u>								
<u>LIMITED TAX (Note B.)</u>	N/A	2.50	2.50	2 50	2 50	1.82	1.82	1.82
<u>SEWERAGE & WATER BOARD:</u>								
Operation, Maintenance and Construction & Extension of Drainage System	6.40	6.40	6.40	6.40	6.40	4.66	4.54	4.66
Operation, Maintenance and Construction of Drainage System	6 48	6.48	6.48	6 48	6.48	4.71	4.6	4.71
Operation, Maintenance and Construction of Drainage System	9.71	9.71	9.71	9.71	9 71	7.06	6.89	7.06
<u>AUDUBON PARK COMMISSION:</u>								
Audubon Park Zoo	0.44	0.44	0.44	0.44	0.44	0.32	0.32	0.32
Audubon Park Aquarium	4.11	4.11	4.11	4 11	4 11	2.99	2.99	2.99
<u>DOWNTOWN DEVELOPMENT DISTRICT</u>	15.68	15.90	15.90	15.90	15.90	14.76	14 76	14.76

BOARD OF LIQUIDATION, CITY DEBT
NOTES TO SCHEDULE OF DEDICATED AD VALOREM TAX MILLAGE
AVAILABLE FOR SERVICING OF BONDED DEBT
DECEMBER 31, 2011

Note A. Millage is approved in December of each year by the City Council of New Orleans for the new tax year.

Note B. The 2.5 mills for Capital Improvement Limited Tax is in effect for the first time in 1996.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF SEWERAGE & WATER BOARD MATURED BONDS-DEBT ADMINISTRATION
DECEMBER 31, 2011

	Sewerage, Water & Drainage Bonds 2 mill *	Drainage System Bonds 3 mill 6.40	Total
<u>ASSETS</u>			
Cash	\$ 30,243	\$ 6,899	\$ 37,142
Total Assets	<u>\$ 30,243</u>	<u>\$ 6,899</u>	<u>\$ 37,142</u>
<u>LIABILITIES</u>			
Interest payable	\$ 10,243	\$ 1,899	\$ 12,142
Principal payable	20,000	5,000	25,000
Total Liabilities	<u>\$ 30,243</u>	<u>\$ 6,899</u>	<u>\$ 37,142</u>

* Tax expired December 31, 1991.

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEFEASED BONDS-DEBT ADMINISTRATION
COMBINING SCHEDULE OF ASSETS AND LIABILITIES-MODIFIED CASH BASIS
DECEMBER 31, 2011

	General Obligation Bonds	Sewerage Service Revenue Bonds	Water Revenue Bonds	Audubon Park Commission Improvement Bonds	Total
<u>ASSETS</u>					
Cash	\$ 38,678	\$ 14,320	\$ 8,320	\$ 2,219	\$ 63,537
<u>LIABILITIES</u>					
Interest payable	\$ 15,463	\$ 1,785	\$ 8,320	\$ 2,219	\$ 27,787
Principal payable	23,215	12,535	0	0	35,750
<i>Total Liabilities</i>	<u>\$ 38,678</u>	<u>\$ 14,320</u>	<u>\$ 8,320</u>	<u>\$ 2,219</u>	<u>\$ 63,537</u>

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF DEFEASED BONDS-DEBT ADMINISTRATION
COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
LIABILITIES-MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Revenue Bonds			Audubon Park Commission		
	General			Improve-	Aquarium	
	Obligation	Sewerage	Water	ment	Bonds	Total
	Bonds	Service		Bonds		
<u>RECEIPTS</u>						
Escrow Debt service funds,						
Interest	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,072,106	\$ 4,072,106
Principal	0	0	0	0	19,443,572	19,443,572
Premium	0	0	0	0	470,234	470,234
Total Receipts	0	0	0	0	23,985,912	23,985,912
<u>DISBURSEMENTS</u>						
Refunded bonds:						
Interest	0	0	0	0	4,072,106	4,072,106
Principal	0	0	0	0	19,443,572	19,443,572
Premium	0	0	0	0	470,234	470,234
Total Disbursements	0	0	0	0	23,985,912	23,985,912
Excess of receipts over disbursements	0	0	0	0	0	0
<u>LIABILITIES</u>						
December 31, 2010	38,678	14,320	8,320	2,219	0	63,537
December 31, 2011	\$ 38,678	\$ 14,320	\$ 8,320	\$ 2,219	\$ 0	\$ 63,537

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST, PREMIUM AND PRINCIPAL PAID
FOR THE YEAR ENDED DECEMBER 31, 2011

		Interest
	Debt Service Fund	Federal Subsidy Taxable BAB
<u>GENERAL OBLIGATION BONDS</u>		
Public Improvement Bonds, Issue of 2001	\$ 1,032,887	\$ 0
Public Improvement Bonds, Issue of 2002	1,501,367	0
Public Improvement Bonds, Issue of 2003	1,825,788	0
Public Improvement Bonds, Issue of 2004	1,505,387	0
Public Improvement Bonds, Issue of 2005A	655,900	0
Public Improvement Bonds, Issue of 2007A	3,668,825	0
Public Improvement Bonds, Issue of 2010A	2,089,319	1,125,018
General Obligation Refunding Bonds, Series 1991	19,044,565	0
General Obligation Refunding Bonds, Series 1998	4,646,662	0
General Obligation Refunding Bonds, Series 2002	3,018,769	0
General Obligation Refunding Bonds, Series 2005	5,239,950	0
Total General Obligation Bonds	44,229,419	1,125,018
<u>SPECIAL TAX BONDS</u>		
Limited Tax Bonds, Series 2005	1,177,880	0
<u>SEWER & WATER BOARD SPECIAL TAX BONDS</u>		
Drainage System Bonds, Series 1998	249,582	0
Drainage System Bonds, Series 2002	647,310	0
Total Drainage System 9 mill bonds	896,892	0
<u>SEWER & WATER BOARD REVENUE BONDS</u>		
Sewerage Service Revenue Bonds, Series 1997	726,234	0
Sewerage Service Revenue Bonds, Series 1998	594,660	0
Sewerage Service Revenue Bonds, Series 2000	899,278	0
Sewerage Service Revenue Bonds, Series 2000B	670,980	0
Sewerage Service Revenue Bonds, Series 2001	1,032,807	0
Sewerage Service Revenue Bonds, Series 2002	1,992,500	0
Sewerage Service Revenue Bonds, Series 2003	160,769	0
Sewerage Service Revenue Bonds, Series 2004	1,054,081	0
Sewerage Service Revenue Bonds, Series 2009	1,303,747	0
Total Sewerage Service Revenue Bonds	8,435,056	0
Water Revenue Bonds, Series 1998	398,468	0
Water Revenue Bonds, Series 2002	1,287,150	0
Total Water Revenue Bonds	\$ 1,685,618	\$ 0

	Premium	Principal	
Total	Debt Service Fund	Debt Service Fund	Total Interest, Premium and Principal
\$ 1,032,887	\$ 0	\$ 580,000	\$ 1,612,887
1,501,367	0	780,000	2,281,367
1,825,788	0	970,000	2,795,788
1,505,387	0	715,000	2,220,387
655,900	0	350,000	1,005,900
3,668,825	0	1,515,000	5,183,825
3,214,337	0	715,000	3,929,337
19,044,565	0	6,400,435	25,445,000
4,646,662	0	3,500,000	8,146,662
3,018,769	0	0	3,018,769
5,239,950	0	4,150,000	9,389,950
45,354,437	0	19,675,435	65,029,872
1,177,880	0	1,780,000	2,957,880
249,582	0	545,000	794,582
647,310	0	755,000	1,402,310
896,892	0	1,300,000	2,196,892
726,234	0	1,745,000	2,471,234
594,660	0	1,380,000	1,974,660
899,278	0	1,305,000	2,204,278
670,980	0	1,005,000	1,675,980
1,032,807	0	1,545,000	2,577,807
1,992,500	0	2,510,000	4,502,500
160,769	0	245,000	405,769
1,054,081	0	1,375,000	2,429,081
1,303,747	0	705,000	2,008,747
8,435,056	0	11,815,000	20,250,056
398,468	0	885,000	1,283,468
1,287,150	0	1,335,000	2,622,150
\$ 1,685,618	\$ 0	\$ 2,220,000	\$ 3,905,618

BOARD OF LIQUIDATION, CITY DEBT
SCHEDULE OF ITEMIZED DISBURSEMENTS-INTEREST, PREMIUM AND PRINCIPAL PAID
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011

	Interest	
	Debt Service Fund	Federal Subsidy Taxable BAB
<u>LADHH LOAN REVENUE BONDS</u>		
Revenue Bonds, Series 2010A, Taxable ARRA	\$ 3,679	\$ 0
Revenue Bonds, Series 2010B, Taxable ARRA	13,024	0
Total Revenue Bonds-LADHH	16,703	0
<u>AUDUBON COMMISSION SPECIAL TAX BONDS</u>		
Audubon Park Commission Improvement Bonds, Series 1997	98,755	0
Audubon Park Commission Aquarium Bonds, Series 2001A	690,224	0
Audubon Park Commission Aquarium Bonds, Series 2001B	24,955	0
Audubon Park Commission Aquarium Bonds, Series 2003A	385,250	0
Total Audubon Park Commission Aquarium Bonds	1,100,429	0
<u>DOWNTOWN DEVELOPMENT DISTRICT</u>		
Special Tax Bonds, Series 2001	287,877	0
<u>DEFERRED BONDS</u>		
Audubon Park Commission Aquarium Bonds, Series 2001A	3,831	0
Audubon Park Commission Aquarium Bonds, Series 2001B	4,068,275	0
Total Audubon Park Commission Aquarium Bonds	4,072,106	0
 Total Itemized Disbursements-Interest, Principal and Premium Paid	 \$ 62,000,735	 \$ 1,125,018

	Premium	Principal	
Total Interest	Debt Service Fund	Debt Service Fund	Total Interest, Premium and Principal
\$ 3,679	\$ 0	\$ 1,000	\$ 4,679
13,024	0	24,000	37,024
16,703	0	25,000	41,703
98,755	0	275,000	373,755
690,224	0	15,000	705,224
24,955	0	70,000	94,955
385,250	0	2,445,000	2,830,250
1,100,429	0	2,530,000	3,630,429
287,877	0	235,000	522,877
3,831	267,200	13,360,000	13,363,831
4,068,275	203,035	6,083,572	10,151,847
4,072,106	470,235	19,443,572	23,515,678
\$ 63,125,753	\$ 470,235	\$ 59,299,007	\$ 122,424,760

PACIERA, GAUTREAU & PRIEST, LLC

CERTIFIED PUBLIC ACCOUNTANTS

3209 RIDGELAKE DRIVE, SUITE 200

METairie, LA 70002

(504) 486-5573

FAX (504) 486-6091

www.pgpcpa.com

**KIRTH M. PACIERA, C.P.A.
RENE G. GAUTREAU, C.P.A.
TIMOTHY L. PRIEST, C.P.A.**

**MEMBERS OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS**

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS**

**SIDNEY T. SPILSBURY, C.P.A.
(1905-1985)
KEITH T. HAMILTON, C.P.A.
(1932-2003)
LEROY P. LEGENDRE, C.P.A.
(Retired)**

INDEPENDENT AUDITOR'S REPORT

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt
New Orleans, Louisiana**

We have audited the financial statements of the Board of Liquidation, City Debt as of and for the year ended December 31, 2011, and have issued our report thereon dated March 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Liquidation, City Debt's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Mrs. Mary K. Zervigon, President, and Members
Board of Liquidation, City Debt

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Liquidation, City Debt's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the members of the Board, the City of New Orleans, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Paciera, Gautreau & Priest, LLC

March 8, 2012